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Stephen Keith Chamberlain

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

MICHAEL RICHARD LYNCH AND
STEPHEN KEITH CHAMBERLAIN

Defendants.

CASE NO. 3:18-cr-00577-CRB

**Defendant Stephen Chamberlain's Joinder
in Defendant Michael Lynch's Motion to
Dismiss Counts One through Sixteen**

Date: November 1, 2023

Time: 1:30 p.m.

Place: Courtroom 6

Assigned to Hon. Charles R. Breyer

1 Stephen Chamberlain fully joins and incorporates herein Michael Lynch’s Motion to
 2 Dismiss Counts One through Sixteen and its supporting points and authorities. For the reasons
 3 provided in that motion, the Court should dismiss Counts One through Sixteen of the Superseding
 4 Indictment. Dkt. 21 (“SI”). Mr. Chamberlain submits this additional brief to provide additional
 5 information that supports Dr. Lynch’s extraterritoriality argument as to Mr. Chamberlain’s
 6 conduct in particular.

7 As Dr. Lynch’s motion explains, the conspiracy alleged in Count One is really two
 8 conspiracies: a conspiracy to defraud Autonomy’s UK-based shareholders, and a separate
 9 conspiracy to defraud Bidco—HP’s Dutch subsidiary—into acquiring Autonomy in 2011. If the
 10 conspiracies are properly considered separately, it is clear that the government’s allegations are
 11 impermissibly based on extraterritorial conduct.

12 The extraterritoriality concern is heightened as to the conduct alleged against Mr.
 13 Chamberlain. Most of that conduct pertains to the first conspiracy—i.e., the conspiracy to defraud
 14 Autonomy’s UK-based shareholders by inflating its revenue figures. But Mr. Chamberlain’s
 15 involvement in the preparation of Autonomy’s financial statements took place entirely within the
 16 UK. During his time at Autonomy, including during the period relevant to the SI, Mr.
 17 Chamberlain worked out of an office in Cambridge, reviewing Autonomy’s financial statements to
 18 ensure compliance with UK financial regulations and communicating with Autonomy’s UK
 19 auditors to do so. The SI confirms,

20 Defendant STEPHEN KEITH CHAMBERLAIN was a resident of
 21 the United Kingdom. From approximately 2005 until 2011, he was
 22 Vice President of Finance at Autonomy. CHAMBERLAIN was a
 23 qualified Chartered Accountant. As one of Autonomy’s most senior
 24 finance officers, CHAMBERLAIN was responsible for the
 preparation of Autonomy’s financial statements. CHAMBERLAIN
 was also responsible for the accuracy of statements made by him
 and others at Autonomy to Autonomy’s independent auditor in the
 United Kingdom.

25 SI ¶ 5.

26 Each sentence in this paragraph confirms the extraterritorial nature of Mr. Chamberlain’s
 27 alleged conduct. Mr. Chamberlain performed his work for Autonomy in his capacity as a
 28 Chartered Accountant, a position governed by and subject to the laws and regulations of the UK.

1 Autonomy's financial statements were prepared pursuant to accounting standards applicable to
2 companies in the UK—i.e., the International Financial Reporting Standards (IFRS) and
3 International Accounting Standards (IAS). In connection with the preparation of Autonomy's
4 public financial statements, Mr. Chamberlain worked with and spoke to Autonomy's UK-based
5 auditors at Deloitte, within Autonomy's UK offices. And the alleged inaccuracies in Autonomy's
6 financial statements are based on noncompliance with the criteria set forth in IFRS and IAS
7 standards, none of which are accounting standards that would apply in the United States. SI
8 ¶ 22(b).

9 Second, as to the alleged conspiracy to defraud Bidco into acquiring Autonomy, the SI's
10 only allegation about Mr. Chamberlain's participation in the due diligence process is that he and
11 others "caused Autonomy to provide to HP and its advisors false and misleading listings of
12 Autonomy's top contracts and customers." SI ¶ 23(aa). But there is no allegation that Mr.
13 Chamberlain actually communicated with HP representatives regarding these listings. Instead, the
14 evidence is that Mr. Chamberlain was directed by Autonomy's executives (including Mr. Hussain)
15 to prepare information that others then transmitted to HP. All of these communications took place
16 within the UK and were made to other individuals within the UK.

17 Third, the extraterritorial nature of the government's allegations against Chamberlain is
18 further underlined by the pending complaint he faces from UK regulators. On May 17, 2018, the
19 UK's Financial Reporting Council filed a Formal Complaint against Mr. Chamberlain, seeking to
20 impose professional consequences on Mr. Chamberlain for his work with Autonomy. Mr.
21 Chamberlain submits that even if the government's allegations were substantiated, given the
22 nature of those allegations, it should be a UK regulator with familiarity with UK laws who
23 ultimately determines whether he complied with UK professional standards when reviewing
24 Autonomy's financial statements.

25 In short, Mr. Chamberlain's alleged conduct took place in the UK, involved
26 communications to others in the UK, and purportedly violated accounting standards applicable in
27 the UK. For these reasons, in addition to the ones presented in his motion, the Court should grant
28 Dr. Lynch's motion to dismiss.

1 DATED: September 29, 2023

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